

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

PERIODIC REPORTING
(PROPOSAL FIVE)

Docket No. RM2017-9

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO QUESTIONS 1-15, 19-20, AND 23 OF
CHAIRMAN'S INFORMATION REQUEST NO. 1
(August 9, 2017)**

The United States Postal Service hereby provides its response to the above-listed Questions of Chairman's Information Request No. 1, issued August 2, 2017. The questions are stated verbatim and followed by the response. Responses to question 16-18 and 21-22 are still being prepared.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 277-6333
August 9, 2017

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

1. In Docket No. ACR2016, the Postal Service provided a table showing the TACS and Management Operating Data System (MODS) codes for city carrier street time delivery.¹ Underneath this table, the Postal Service states that: “[t]he specific TACS code used is determined locally.” Docket No. ACR2016, Response to CHIR No. 21 at 3.
 - a. Please indicate how the specific TACS street delivery code is determined.
 - b. Please describe how the TACS code used would differ at the local level.
 - c. Please specify how this relates to those offices that do not record workhours in the TACS system.

RESPONSE:

a. For Labor Distribution Code 22, the specific operation number used for a particular route is the one that best fits the characteristics of the route and is determined locally. Since the response to Docket No. ACR2016, ChIR 21 (March 2, 2017), the Postal Service recognized that, in order to properly determine delivery costs, work hours must be assigned to the function and cost pool where the work is actually performed. Thus, the Postal Service has more recently attempted to standardize its procedures for the use of LDCs 23 and 24.

LDC 24 now tracks Sunday Parcels and Customized Delivery so that cost pools associated with these delivery initiatives can be more clearly defined. The following table shows the mapping between operation number and LDC for LDCs 23 and 24.

¹ Docket No. ACR2016, Response of the United States Postal Service to Question 1 of Chairman's Information Request No. 21, March 2, 2017, at 3 (Docket No. ACR2016, Response to CHIR No. 21).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

LDC	Operation Number	Description
23	7330	Parcel Post – Street
23	7340	Parcel Post – Office
23	7350	Relay – Street
23	7360	Relay – Office
23	7370	Combination – Street
23	7380	Combination – Office
23	7390	Carrier Drivers – Street
23	7400	Carrier Drivers – Office
23	7670	Express Mail Delivery
24	7230	Sunday Parcel – Street
24	7240	Sunday Parcel - Office
24	7250	Customized Delivery – Street
24	7260	Customized Delivery – Office

The Postal Service also issued guidance on the proper usage of the operation numbers within LDC 23 as described below.

Parcel Post

Time spent on Office functions by bid carriers or their replacements on routes designated as Parcel Post Routes should be transferred to Operation Number 7340 in LDC 23. Time spent loading and delivering the parcels on these routes should be attributed to Operation Number 7330 in LDC 23.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 1

Auxiliary assistance given to city delivery routes by dedicated Parcel Post routes, even if the assistance given was to relieve the route by delivering parcels, is not part of LDC 23. That assistance is still part of the carrier's Street Time and is part of the carrier's route time. It must, therefore, be attributed to LDC 22.

Relay

Time spent on Office functions by bid carriers or their replacements on routes designated as Relay Routes should be transferred to Operation Number 7360 in LDC 23. Time spent loading and delivering the relays on these routes should be attributed to Operation Number 7350 in LDC 23.

Combination

Time spent on Office functions by bid carriers or their replacements on routes designated as Combination Routes should be transferred to Operation Number 7380 in LDC 23. Time spent loading and delivering the parcels and relays on these routes should be attributed to Operation Number 7370 in LDC 23.

Auxiliary assistance given to city delivery routes by dedicated Combination Routes, even if the assistance given was to relieve the route by delivering parcels, is not part of LDC 23. That assistance is still part of the carrier's Street Time and is part of the carrier's route time. It must, therefore, be attributed to LDC 22.

Carrier Drivers

Time spent in the office by bid carriers or their replacements on routes designated as Carrier Driver Routes should be transferred to Operation Number 7400.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

Time spent loading and/or driving between destinations on these routes should be attributed to Operation Number 7390 in LDC 23.

Express Mail Delivery

Time utilized by city delivery carriers assigned to deliver Express Mail Delivery that is not part of their regular route assignment should be attributed to Operation Number 7670 in LDC 23.

b. Because the Postal Service has attempted to standardize the operation numbers used in conjunction with LDCs 23 and 24, local discretion has been minimized. As mentioned in part a., within LDC 22, determining whether a letter route is Residential – Motor Street (Operation 7210) or Mixed – Motor Street (Operation 7290) is handled locally, and may differ because one supervisor classifies a letter route with a vehicle as Residential while another supervisor classifies the same letter route as Mixed.

c. Offices that do not use TACS are classified as Timecard Offices. These offices track employees' work hours and corresponding operation numbers via paper time card on Postal Form 1230. Accordingly, there is no difference in the way operation numbers are recorded in Timeclock and in Timecard Offices.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

2. Please provide the SAS program(s) and any data files used within the programs to produce the costs shown in Excel file "I_FORMS-RM2017-9.Prop.5.xlsx," tab "I-CS06.0.2.2 Input."² The program(s) should show the calculation methodology including the development and use of the proposed TACS Labor Distribution Code (LDC) workhours, the FY 2016 IOCS sample records selection code, as well as how the TACS LDC workhours, IOCS sample records and actual accrued accounting costs by Cost Ascertainment Groups (CAGs)³ for full-time and other city carriers were developed.⁴

RESPONSE:

The programs and public data files are provided in USPS-RM2017-9/1. Non-public data files are provided in USPS-RM2017-9/NP2.

² This Excel file was included along with the Petition on June 30, 2017.

³ CAGs are a method used by the Postal Service to classify post offices based on volume of revenue generated. CAG K offices have 36–189 revenue units, and CAG L offices have less than 36. See Glossary of Postal Terms available at https://about.usps.com/publications/pub32/pub32_terms.htm.

⁴ The post office accounting data broken down by craft and CAG level are included in Docket No. ACR2016, Library Reference USPS-FY16-37, In-Office Cost System (IOCS) Documentation (Public Version) folders "ALB" "HQ624D01," files "FY161," "FY162," "FY163," and "FY164," December 29, 2016 (Docket No. ACR2016, USPS-FY16-37). The second to last populated column shows the accrued quarterly costs by CAG-finance group level for full-time city carriers and the last populated column shows the accrued quarterly costs for other city carriers.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

3. Please provide the SAS program(s) and any data files used within the programs to produce the costs shown in the Excel file "CS06&7-RM2017-9.Prop.5.xlsx," tab "Input IOCS."⁵ The program(s) should show the calculation methodology including the development and use of the proposed TACS LDC workhours, the FY 2016 IOCS sample records selection code, as well as how the TACS LDC workhours, IOCS sample records, and actual accrued accounting system costs by CAGs for full-time and other city carriers were developed.

RESPONSE:

The programs and public data files are provided in USPS-RM2017-9/1. Non-public data files are provided in USPS-RM2017-9/NP2.

⁵ This Excel file was included along with the Petition on June 30, 2017.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

4. Please provide the SAS program(s) and input data files or identify the section(s) of SAS programming code (if the programs and data have already been provided) that show how route type 99 costs were distributed between the Regular and SPR groups in Table 1 shown in the Petition at 4.

RESPONSE:

Programs, data files and workbooks used to generate Table 1 are provided in folder USPS-RM2017-9/1.

The distribution of route 99 for this proposal is consistent with current IOCS methodology, which groups route 99 with regular letter route types 71 through 83, and is executed in the CARMM program filed in USPS-FY16-37. Proposal Five maintains this same grouping. Table 1 from the Petition is generated in workbook IOCSTally16CarwashCostAdjustmentComp.xlsx, sheet "TableForDoc", and its source data are developed by program "IOCSCarwashCheck.sas", included in USPS-RM2017-9/1.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

5. Please identify which route group cost pool that full-time and other city carriers costs unassigned to a route group or type would be assigned to or edited in the IOCS and explain the basis for the assignment or edit.

RESPONSE:

City carriers, either full-time or otherwise, who are not assigned to a specific route will have their route type designated as "99" in IOCS. This is the current policy for IOCS, executed in program ALB040. In the extant proposal, route type "99" is assigned to the Regular Letter route group in program ALB104. This is identical to the treatment of route type "99" in the current IOCS Carrier Mixed Mail (ALBCARMM) program and in the CS06&7 "B" workpapers⁶.

⁶ SAS programs ALB040 and ALBCARMM are provided in USPS-FY16-37, In-Office Cost System. The CS06&7.xlsx "B" workpaper is provided in USPS-FY16-32.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 6.** Please identify which route group cost pool that full-time and other city carriers unassigned to a route would be assigned to in the TACS or timekeeping system and explain the basis for the assignment.

RESPONSE:

The route group cost pool is determined by the operation number to which the carrier is clocked, regardless of whether the carrier is assigned or unassigned to a route. Accordingly, the workhours for carriers clocked to letter route operations would be assigned to the letter route cost pool, and the workhours for carriers clocked to special purpose route operations would be assigned to the special purpose route cost pool.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

7. Please confirm that the IOCS will continue to be used to identify letter route and SPR office, street, and training activity costs rather than TACS LDC workhours alone. If not confirmed, please explain why.

RESPONSE:

Confirmed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

8. Please identify how the cost weights of IOCS sample records will be adjusted to account for differences between clocking status in the TACS LDC workhours and the activity and clocking status identified in the IOCS.⁷

RESPONSE:

There will be no adjustment to the cost weights from IOCS sample records to account for the difference between clocking status in the TACS LDC workhours and the activity and clocking status identified in IOCS. IOCS does not record the carrier's specific MODS operation that would identify the LDC to which the carrier is clocked. Only the in-office or on-street clocking status is recorded, and it is not used in the determination of cost weights.

⁷ Under the current methodology, in addition to actual activity, the IOCS data collector verifies the sampled employee's clocking status (clocked in office LDC workhours and street LDC workhours) at the time of the reading. See Docket No. ACR2016, USPS-FY16-37, Excel file "IOCSDataDictionaryFY16.xlsx, tab "Mainframe Layout," cell "A242," "Q16A01."

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

9. If the compensation paid to an individual employee is influenced by the number of hours clocked into TACS by that employee, please indicate whether the amount of compensation owed to an individual employee depends solely on the total number of hours that an employee is clocked in or whether it is also influenced in whole, or in part, by the specific codes or categories under which time is recorded. If the amount of compensation owed depends in whole, or in part, on the codes or categories under which time is recorded, please explain the nature of this relationship.

RESPONSE:

The compensation paid to an employee is influenced by four factors: 1) type of employee (e.g. full-time regular, city carrier assistant), 2) wage rate, 3) number of work hours, and 4) specific categories under which time is recorded. The amount of work hours needed to qualify for overtime, for example, differ by type of employee. There can be different rates depending on when the work is performed such as on Sunday or at night. Thus, two employees of the same type and wage rate could work the same number of hours in a pay period and be paid different amounts. However, if the intent of this question is to determine whether city carriers are paid different wage rates depending on the non-supervisory operation number to which they are clocked, then the answer is generally no.

However, TACS also records "ring" and "pay" codes that identify additional circumstances for the TACS clock ring record, such as overtime, Sunday premium, etc. Some of these codes indicate when the carrier's compensation differs from their base wage rate. These codes are listed in the table below.

Ring/Pay Code	Description
010	BEGIN TOUR
011	OPERATION MOVE

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

Ring/Pay Code	Description
012	OUT TO LUNCH
013	IN FROM LUNCH
014	END OF TOUR
024	AWOL
027	WOUNDED WARRIOR ACT LEAVE
028	HOLIDAY ANNUAL LEAVE EXCHANGE
032	TELETIME
033	GUARANTEE TELETIME
034	BEEPER TIME
035	EXTRA STRAIGHT TIME
036	GUARANTEE TELE OVERTIME
043	PENALTY OVERTIME
044	MILITARY LWOP
045	DONATED LEAVE
046	FMLA - DONATED LEAVE
048	HOLIDAY SCHEDULING PREMIUM
049	OWCP-REGULAR
049	IOD/OWCP-FAMILY MEDICAL LEAVE
052	WORK HOURS
053	OVERTIME
054	NIGHT WORK
055	ANNUAL LEAVE
056	SICK LEAVE
057	HOLIDAY WORK
058	HOLIDAY LEAVE
059	PART DAY LWOP
060	FULL DAY LWOP
061	COURT LEAVE
062	GUARANTEE TIME
063	TRANSITIONAL EMP - CROSS-FOOT
065	MEETING TIME
067	MILITARY LEAVE
068	GUARANTEE OVERTIME
069	BLOOD LEAVE
070	STEWARD DUTY TIME
071	COP
072	SUNDAY PREMIUM
073	OUT OF SCHEDULE PREMIUM
074	CHRISTMAS WORK
076	NON-SCHEDULED TIME
077	CIVIL DEFENSE LEAVE

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

Ring/Pay Code	Description
078	ACT OF NATURE LEAVE
079	HQ AUTHORIZED ADMIN LEAVE
080	RELOCATION LEAVE
081	CIVIL DISORDER LEAVE
082	TRAVEL INSIDE OF SCHEDULE
083	TRAVEL OUTSIDE OF SCHEDULE
084	UNION OFFICIAL LEAVE
085	VOTING LEAVE
086	OTHER PAID LEAVE
087	RELIEF DAY TAKEN
088	NON-BARGAINING RESCHEDULE PREMIUM
090	H/L AUTHORIZATION
091	OVERTIME AUTHORIZATION
092	DISALLOW GUARANTEE TIME
093	NO LUNCH PUNCH

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 1

10. In Docket No. ACR2015, the Postal Service stated that: “[a] subset of small offices do[] not use TACS, and these are generally in CAGs G, H, J, K and L.”⁸ Specifically in FY 2015, nearly half (1,507) of the CAG Group G offices, 85.2 percent (7,506) of the CAG Group H/J offices and nearly all of the CAG Group K/L (95.6 or 12,305) offices did not record operation codes in TACS.⁹
- a. Please provide the FY 2016 total number (universe) of offices in CAGs G, H, J, K, and L.
 - b. Please provide the FY 2016 total number of offices in CAGs G, H, J, K, and L offices that did not record operation codes in TACS.
 - c. Please explain how the Proposal Five methodology would identify full-time and other city carrier letter route and SPR group office, street and training workhours in CAGs G, H, J, K and L offices that do not record operation codes in TACS.
 - d. Please discuss how LDC workhours are assigned or recorded to full-time city carriers and other city carriers at offices that do not record workhours in TACS.

RESPONSE:

a,b) The table below provides the requested numbers by CAG.

CAG	# of offices (universe)	# of offices with >0 sampleable employee	# of Timecard offices (not TACS clock rings)	# of city carriers, all offices	# of city carriers in Timecard offices
A	2,813	1,830	761	57,214	10
B	1,194	987	100	33,575	0
C	1,537	1,361	107	50,948	0
D	878	813	56	23,552	2
E	1,641	1,592	80	25,977	20
F	2,215	2,188	261	12,371	117
G	3,205	3,174	1,066	5,134	337
H	3,903	3,811	2,318	1,375	240

⁸ See Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-15 of Chairman's Information Request No. 14, February 23, 2016, question 2.f.

⁹ See Docket No. ACR2015, Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 19, March 14, 2016, question 1 (Docket No. ACR2015, Response to CHIR No. 19).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

CAG	# of offices (universe)	# of offices with >0 sampleable employee	# of Timecard offices (not TACS clock rings)	# of city carriers, all offices	# of city carriers in Timecard offices
J	4,832	4,551	3,292	157	42
K	8,988	6,519	6,655	11	2
L	3,974	186	3,822	0	0
Total	35,180	27,012	18,518	210,314	770
G-L subtotal	24,902	18,241	17,153	6,677	621

c) There were only 621 city carriers in CAGS G-L in Timecard offices that did not have clock rings in TACS, less than 10 percent of all city carriers in that CAG group, and only 0.3 percent of all city carriers. For these carriers, Proposal Five will impute the ratios of route groups from the data obtained from Timeclock offices that do have clock rings.

d) The LDC is determined by the operation number. City carriers in non-TACS or Timecard offices record their operation number on Postal Form 1250 (paper timecard). Thus, the only difference in how LDC workhours are assigned in TACS and non-TACS offices is that the TACS offices do it automatically, while the non-TACS offices use a manual process extracted from the paper timecard.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

11. In Docket No. ACR2016, the Postal Service stated that for the IOCS city carrier readings it would be asking and collecting additional details about where the carrier is at the time of the reading (for carriers on the premises, the data collector will identify whether the carrier is inside the facility or outside the facility in the parking or loading area).¹⁰ Please specify how these additional details collected by the IOCS data collector will be used to identify office, training, and street activity costs under Proposal Five.

RESPONSE:

Under Proposal Five, there will be no change to the identification of office, training or street activity costs. Both of the new "on premises" subcategories -- "inside the facility" and "outside the facility (parking/loading area)" -- are treated the same as the previous "on premises" option in earlier versions of the data collection instrument.

¹⁰ See Docket No. ACR2016, Responses of the United States Postal Service to Questions 1-13 of Chairman's Information Request No. 20, March 1, 2017, question 11.b.; see also Docket No. ACR2016, Library Reference USPS-FY-16-46 Public Material Filed in Response to Chairman No. 20, March 1, 2017 (Docket No. ACR2016, USPS-FY-16-46) folders "ChIR 20 Q 11," ChIR.20.Q.11.Files," "ACR16ChIR20Q11," "SP Letters," "FY2017," PDF file "SP#2FY17_12082016.pdf," Attachment 3. Q16A2 On Premises, Is the employee on the premises? Response options will be A. Yes, inside the facility; B. Yes, outside the facility (parking/loading area); or C. No (off the premises).

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO CHAIRMAN'S INFORMATION REQUEST NO. 1

12. Please refer to Excel file "CS06and7-RM2017-9.Prop.5.xlsx," tab "Input IOCS" filed with the Petition. The "Total SPR" group costs appear to be the sum of three SPR types given the data labels and the listed IOCS numeric route type code shown for that SPR. Specifically, within the file, the columns labeled "EXCL PARC POST" (type "86"), "COLLECTION" (type "87") and "Other" (type "98") were summed to produce the "Total SPR" costs shown.¹¹ However, in the Docket No. ACR2016 filing four IOCS SPR route type codes are summed to produce the "Total SPR" costs.¹² The data column labeled "COLLECTION" (type "87") represents two IOCS route types combined: "COLLECTION" (type "87") and "Relay Route" (type "89"). *Id.*
- Please discuss whether the Proposal Five methodology also uses the IOCS route type codes 87 (collection route) and 89 (relay route). If not, please discuss the reasons why not.
 - Please discuss the reasons why the "COLLECTION" route type costs under Proposal Five methodology are about \$60 million more than those in the FY 2016 Annual Compliance Report filing for the column labeled "COLLECTION."¹³ For each SPR route type, please indicate whether the routes generally operate on a regular predetermined schedule or on an "as needed" basis. If a route type operates on a regular or predetermined schedule, please also specify the types of carriers that are routinely assigned to these routes.

RESPONSE:

- Proposal Five continues to use the data for route type 89 (relay) as well as 87 (collection). However, route type 89 is included with route type 87 in the CARMM programs that distribute mixed mail to products by route type. Note that route

¹¹ The IOCS numeric route type codes are listed in Docket No. ACR2016, USPS-FY16-37, Excel file "IOCSDataDictionaryFY16.xlsx," tab "Mainframe Layout," cells "D1653" through "D1665".

¹² The Commission replicated the Postal Service's SPR costs from Docket No. ACR2016, Library Reference USPS-FY16-32, FY 2016 CRA "B" Workpapers (Public Version), in Excel file "CS06&7-Public-FY16.xlsx," tab "Input IOCS," December 29, 2016, using the IOCS SAS data in Docket No. ACR2016, USPS-FY16-37, folder "Data," file "PRCPub16.sas7bdat."

¹³ Compare Excel file "CS06and7-RM2017-9.Prop.5.xlsx," tab "Input IOCS," total accrued costs in cell "H22" (\$210,848,000) with Docket No. ACR2016, USPS-FY16-32, Excel file "CS06&7-Public-FY16.xlsx," tab "Input IOCS" total accrued costs in cell "H22" (\$150,675,000).

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

type 89 had only four direct mail tallies in FY16, too few to form a reliable basis by itself for distributing mixed mail handled within that route type.

- b) The difference in the collection costs between Proposal Five and ACR2016 is explained because different sources are used to compute the accrued costs. Proposal Five uses TACS workhours, whereas Docket No. ACR2016 used IOCS tallies to compute accrued costs.

In general collection routes and relay routes operate on a regular predetermined schedule, while the daily variability of delivery volume causes parcel delivery, Express and combination routes to have more workhours on an "as needed" basis. Collection and relay routes that have a more regular schedule more frequently have regular carriers assigned to those routes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 13.** The Postal Service states that “carriers on regular [letter] routes may spend some portion of their street time conducting SPR activities, while clock rings will only be entered into TACS by a supervisor after they return to the office and after the IOCS data collector has recorded the best information available at the time of the reading.” Petition at 2-3.
- a. Please discuss what “portion of their street time conducting SPR activities” would be typical for a city carrier delivering on their usual letter route and what these activities typically entail.
 - b. Please describe how city carriers communicate and officially document their street time “SPR activities” in TACS while clocked in to their regular letter route street time workhours e.g., in Labor Distribution Code (LDC) 22. Docket No. ACR2016, Response to CHIR No. 21, question 1.b.iii.
 - c. Please describe the circumstances under which clock rings would be entered or changed into TACS by a supervisor after the carrier returns to the office.

RESPONSE:

- a. Typically, zero, because the vast majority of carriers do not perform SPR activities in conjunction with their letter route duties. However, when a carrier does perform SPR activities, they could include any of the duties associated with SPR routes, including but not limited to firm pickups and bulk deliveries.
- b. When applicable, city carriers document their SPR activities to their supervisor who subsequently adjusts the carrier’s clock rings accordingly.
- c. Supervisors are responsible for assigning workhours in accordance with the activities performed. Hence, clock rings are adjusted by the supervisor if the carriers’ activities are not in accordance with the original recorded operation numbers.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 14.** The Postal Service states that using census data from TACS would allow the work activities of City Carrier Assistants (CCAs) “that are new, loaned or working within the Postal Service to be observed directly, eliminating the potential source of bias.” Petition at 3.
- a. Please describe how CCAs would be “observed directly” by using TACS workhours, and discuss how this process would differ from observation through the IOCS.
 - b. Please identify the cost pools impacted by the potential source of bias.
 - c. Please confirm whether the Postal Service has determined that there is a bias issue. If confirmed, please describe how the issue was detected or assessed. If not confirmed, does the Postal Service believe this potential bias will manifest in the future?
 - d. Please specify whether any IOCS sampling procedures will be modified as a result of Proposal Five. If so, please describe the changes in sampling procedures.
 - e. In general, please explain whether obtaining additional city carrier IOCS readings at differing times, days, or offices would reduce or prevent any potential biases or systematic errors. If no IOCS sampling changes would reduce or prevent any potential biases or systematic errors, please explain the reasons why.

RESPONSE:

- a) For the carriers in question, information about their route group would be recorded in TACS and would then be used by the Proposal Five adjustment. These carriers would not be directly observed by the current IOCS procedures, and their route types and activities are imputed from the carriers that can be observed by current IOCS procedures.
- b) All costpools could be affected by this potential source of bias.
- c) The Postal Service has not examined whether or not there is bias resulting from this issue. The Postal Service is concerned that there is potential for bias.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

d) No sampling procedures will be modified as a result of Proposal Five.

e) Simply adding more IOCS readings using the current system would not address this issue. For example, there is an inevitable delay between when a new employee begins work at the Postal Service and the first opportunity that an IOCS reading can be scheduled on that employee. A different sampling design would have to be implemented in order to obtain readings for this case.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

15. In Docket No. ACR2016, the Postal Service stated that carriers who are delivering parcels to their own letter route during unusual hours “normally clock to their regular MODS operation codes in LDC 22. One reason for that is so that the route gets credit for the appropriate volume. In these cases, the carrier will be recorded [by the IOCS data collector] as assigned to their regular letter route. During peak season, carriers may instead clock to an LDC 23 MODS code. Nevertheless, if they are delivering to their regular letter route, they will likely be recorded in IOCS as assigned to their regular letter route. During peak season, there is also an increase in carriers delivering parcels that span multiple letter routes; these would be recorded as a parcel-only delivery route, i.e., SPR.”¹⁴ Docket No. ACR2016, Response to CHIR No. 21, question 1.b.ii.
- a. Please describe the circumstances that would cause a carrier to deliver “parcels to their own letter route at unusual hours.” In the response, please explain whether regular letter route carriers deliver parcels to their routes at unusual hours because:
 - i. The carrier starts their route at an atypical time;
 - ii. Unusually high mail volumes makes it impossible for the carrier to complete their route within normal working hours;
 - iii. High parcel volumes necessitate that the carrier traverse their route delivering non-parcel mail and then repeat the route to deliver parcels; or
 - iv. Other reason(s).
 - b. If high parcel volumes make it necessary for a carrier to traverse his or her route a second time in order to deliver parcels, does the Postal Service classify that second pass as a regular letter route, as an Exclusive Parcel SPR, or as another type of SPR?
 - c. Please explain the reason(s) why carriers who deliver parcels to their own letter route at unusual hours clock into LDC 23 during the peak season and LDC 22 at other times.
 - d. When regular letter route city carriers deliver parcels to their own letter routes at unusual hours and are clocked into LDC 23 during the peak season and LDC 22 at other times, in what instances, if at all, are they clocking their time incorrectly?

¹⁴ The TACS feeds into the MODS and processes employee clock rings for MODS workhours reporting. See Docket No. ACR2016, USPS-FY16-46, Handbook M-32 PDF file “ChIR.20.Q.12.m32.MODS.2009.pdf” section 1-3, at 2; section 2-4, at 8; see also Docket No. ACR2016, Responses of the United States Postal Service to Questions 1-13 of Chairman’s Information Request No. 20, March 1, 2017, question 12.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- e. Please identify which, if any, clock rings a supervisor would edit in TACS during peak season or non-peak season, and the reasons a supervisor would or would not edit those clock rings.
- f. Please explain how mail volume is credited to routes, including how this process takes into consideration the LDC code the carrier is clocked into. In your response, please address:
 - i. Situations in which the regular carrier is delivering mail at unusual hours;
 - ii. Situations in which someone other than the regular carrier is delivering mail at unusual hours; and
 - iii. Situations in which someone other than the regular carrier is delivering mail to a route during normal hours.

RESPONSE:

Since the filing of the response to Docket No. ACR 2016, ChIR 21 (March 2, 2017), the Postal Service has attempted to standardize the use of LDC 23. Currently, auxiliary assistance given a city letter route by SPR carriers, even if the assistance given was to relieve the route by delivering parcels, is not part of LDC 23. It is, rather, part of the carrier's letter route street time and, therefore, should be assigned to LDC 22. However, during peak season, if a carrier provides auxiliary assistance to multiple routes, it becomes extremely difficult to identify a specific letter route, and generally the carrier will clock to LDC 23.

a. i-iv. Factors i-ii are certainly situations that could result in a carrier delivering parcels at unusual hours. In a situation where the carrier had too many parcels to deliver all of them along with the letters and flats, the carrier would still try to deliver as many parcels as possible in conjunction with the letters and flats, rather than delivering all of the parcels on a second run. Moreover, there are many other factors

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

that could result in the carrier delivering parcels to their letter route at unusual hours, including (but not limited to) a vehicle breakdown, an accident, or an emergency situation that requires a substitute carrier to deliver parcels on the letter route.

b. As stated in part a., under this scenario, the carrier would deliver as many parcels as possible in conjunction with the letters and flats. The workhours associated with any remaining parcels delivered as part of a second run would be classified as letter route costs.

Employees are instructed to deliver parcels as they are delivering the mail and not to deviate unless necessary. Because of this, in special circumstances if a carrier must deviate to deliver parcels on their regular route, this deviation is considered to be part of the regular letter route assignment not a SPR.

c. During peak season, carriers may deliver parcels to multiple routes prior to beginning their normal assignment and, because of this, the time attributed to the delivery of those parcels for the different routes cannot be accurately assigned to each route while delivering, so the employee is placed in LDC 23 in order to allow the time used to run the SPR during peak to be documented. Generally, during non-peak periods, auxiliary assistance would only be provided to one letter route, so the time and volume could be accurately assigned to the route that received the assistance.

d. Under the scenarios posed in the question, the carrier is likely not clocked incorrectly. During peak season, the carrier may be delivering parcels on his/her regular letter route, but also providing assistance to several other letter routes.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

Because of the difficulty of tracking the volume and hours associated with multiple routes during peak season, the carrier would clock to LDC 23.

e. The supervisor is responsible for assigning workhours to the functions where the work is actually performed. Hence, during peak or non-peak season, the supervisor would edit the clock rings as necessary to properly assign workhours to the functions performed.

A supervisor during peak or non-peak season may have to edit clock rings in the event that a carrier moves to an incorrect assignment/operation, fails to input an assignment which was worked, loses their time badge, or a new employee has not received a time badge.

f. Mail volume is credited to the route by the typical type of delivery done for that route. Thus, a motorized letter route's credited volume is typically all of the volume delivered on that route, even if on some days auxiliary assistance is provided by another carrier. However, a foot route that is supported by a motorized parcel route would only be credited with the typical volume delivered by the regular letter carrier. The parcel volume for that route would be credited to the supporting parcel route. Accordingly, situations i-iii listed in the question have no impact on the route's credited volume.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 19.** Please explain the procedures to ensure the recording accuracy of the TACS/LDC workhours for city carriers and supervisors and other managers. Please also include in your response the frequency of the procedures employed.

RESPONSE:

Because TACS workhours are overwhelmingly used to determine a carrier's compensation and as an important metric for an office's performance, the Postal Service provides extensive training to supervisors on the proper procedures of accurately recording workhours using TACS. Specifically, supervisors are required to take an 8 hour facilitated led hands on course using the TACS training database. In this training, supervisors are taught how to accurately record, including the procedures to correct clock rings in TACS so that workhours are recorded accurately resulting in employees being paid correctly. Moreover, supervisors are trained by local management on the proper procedures for the Hyper Electronic Badge Reader (HEBR) and or manual documents in order to ensure their time and attendance data are accurately recorded in the TACS application.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 20.** The Postal Service states that “[s]imilar to current IOCS cost estimation, the proportion of TACS workhours would be calculated separately for the two city carrier subgroups” and “[t]he workhour proportions would be applied to the total account costs associated with each craft subgroup.” Petition at 2.
- a. Please confirm that the current methodology develops these costs at the CAG-finance group level.
 - b. Under Proposal Five, please specify whether the costs will be developed by the CAG and quarter for both the sampled full-time and other city carrier employee records from that CAG and finance group under Proposal Five.
 - c. If the Postal Service does not plan on developing costs at the CAG-finance group level for both the full-time and other city carrier employee groups under Proposal Five, please specify the reasons why not.

RESPONSE:

- a) Confirmed.
- b) Not confirmed. The adjustment to route group costs based on TACS LDC will not be applied to each CAG separately. The adjustment will be applied by carrier subgroup (full-time versus other) and by quarter.
- c) For some CAGs of smaller offices, there are no carriers who were sampled in IOCS that were recorded as assigned to SPR. In these cases when the estimated cost attributed to SPR is zero, it is not possible to adjust the ratio of letter vs SPR costs to match the TACS-based ratio of hours.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
CHAIRMAN'S INFORMATION REQUEST NO. 1**

- 23.** Suppose a city carrier's street time delivery work day is broken into three parts: (a) three hours of delivery on their regularly assigned letter route; (b) one hour of delivery on a special purpose route; and (c) two hours of other delivery outside of their regularly assigned carrier route.
- a. Will the carrier be required to return to the office and "clock-in" at the completion of each part of their different delivery activity?
 - b. Will the carrier remain on the street for six hours and record only one clock ring? If so, will that clock ring be classified as letter route street time (LDC 22)?

RESPONSE:

- a. No. Carriers can make operation moves in HEBR after the fact, by changing the operation, route number and the time of the clock ring.
- b. No. The carrier will remain on the street for the full six hours, and when they return they will enter clock rings, adjusting the time of the ring to match their actual activities.

Under the scenario posited in the question (assuming a residential motorized route at the beginning of the day and one other letter route (e.g. mixed motorized) at the end of the day), the adjusted LDCs for the street activities performed by the carrier would be as shown in the following table.

LDC	Workhours
22	3
23	1
22	2